

**APPROVED MINUTES**  
**APPROVED 06-17-13**  
**CITY OF SCOTTSDALE**  
**AUDIT COMMITTEE**



**MONDAY, APRIL 15, 2013**

**CITY HALL**  
**KIVA CONFERENCE ROOM**  
**3939 NORTH DRINKWATER BOULEVARD**  
**SCOTTSDALE, AZ 85251**

**REGULAR MEETING**

**PRESENT:** Suzanne Klapp, Chair  
Virginia Korte, Council Member  
Robert Littlefield, Council Member (arrived 4:09 p.m.)

**STAFF:** Velicia McMillan Humes, Human Resources  
Ken Nemec, Human Resources  
Amy Davidson, Information Technology  
Brad Hartig, Information Technology  
Kelly Corsette, Office of Communication  
Cathleen Davis, City Auditor's Office  
Joanna Munar, City Auditor's Office  
Sharron Walker, City Auditor

**GUESTS:** Jeff Jameson, Human Relations Commission

**CALL TO ORDER**

Chair Klapp called the meeting to order at 4:02 p.m. A formal roll call confirmed the presence of Committee Members as noted above. Chair Klapp welcomed Council Member Korte. As this is Council Member Korte's first meeting, approval of minutes will be after Council Member Littlefield arrives.

**2. Discussion and possible direction to staff regarding Sunset Review:  
Human Relations Commission**

City Auditor Sharron Walker introduced the review of the Human Relations Commission, summarizing the Commission's purpose according to City Code and the Audit Committee's charge to evaluate the Commission and its purpose and make a recommendation to Council.

Council Member Korte expressed concerns about the outcomes of the Commission and how they impact the citizens of Scottsdale. She commented that little information is

shared between commissions and departments. Although the Commission falls under the auspices of the Office of Diversity, on the web page there is no mention of the Human Relations Commission. She asked what the Commission is really trying to accomplish and how this noble work can be brought to a level where it impacts more people rather than just participating in conferences and one-time events.

Mr. Jeff Jameson, Chair of the Human Relations Commission, said the Commissioners feel frustration about having more horizontal and vertical impact. They do as much outreach as possible through the Civil Dialogue series, and are available through the speakers' bureau to address issues of civil dialogue and civil justice. They realize there is little public awareness of the Commission's work. He recognized that the Office of Diversity staff are spread thin and noted that the Commissioners are all busy working people who volunteer. The Commission has worked on strategic planning with Kelly Corsette on how to better integrate into the community.

Mr. Jameson said the Commission has made a recommendation to City Council about the Arizona Accord that has yet to be agendized by Council. They have done a lot of work around undocumented immigration. The Commission believes there are actions which Council could take to position both the City and the Commission more in the public eye.

Council Member Littlefield arrived.

Chair Klapp said she felt a Council work study session on the Arizona Accord would be helpful. She said the Human Relations Commission annual report was very comprehensive. The Commission does a great deal, but no one is aware of what is happening. It is disappointing that the Civil Dialogue events are not attended by more people. The Commission's attempt to reach out to the community is admirable and something that other bodies do not always undertake.

Chair Klapp agreed with Council Member Korte that the Office of Diversity web page should have a link to the Human Relations Commission, which can be done easily. She opined that the Commission is meeting its purpose through its many activities. She suggested that the Office of Diversity and the Communications Office could discuss how to raise public awareness of the Commission's work.

Chair Klapp said the Audit Committee could make a recommendation to Council that a discussion take place on the Arizona Accord, as recommended by the Human Relations Commission a year ago.

Council Member Littlefield said it would not be appropriate for the Audit Committee to make such a recommendation, but an individual member could do so. He said the Council has no purview over immigration issues and Council Members may not have wanted to take a position.

Chair Klapp commented that in a work study session Council Members do not necessarily have to take a position. Another approach could be to present the report at the beginning of a Council meeting without placing it on the agenda. Although all Council Members received the report electronically, the public has not been made aware of the report.

Mr. Jameson noted that the recommendation in fact contained two action items:

- 1) To commend the Police Department on their sensitivity in implementing SB 1070
- 2) To adopt the Arizona Accord itself which contains finite actions Council could take in terms of reaching out and having dialog with elected officials in Washington and Arizona

Saying that the boards and commissions of Scottsdale are hidden gems with over 200 volunteer members, Mr. Jameson said there would be value in bringing the commissions together once or twice a year to share their work and cross-promote what they are doing. This could garner grass-roots support for all the commissions. He acknowledged that the Mayor is hosting a recognition event soon, but they need a forum for sharing information.

Council Member Littlefield commented that the action items are really symbolic. He does not believe it is appropriate for Council to make symbolic statements.

Council Member Korte said the Arizona Accord sets guiding principles for respecting individuals and families. It is important for local communities to provide some leadership on these issues. Immigration is an issue for everyone in Arizona because everyone has been impacted by it. She undertook to ask that Council receive the report.

Council Member Littlefield agreed that these are important issues, but believes it is inappropriate for Council to take a position on an issue over which they have no legislative authority.

**COUNCIL MEMBER LITTLEFIELD MOVED ACCEPTANCE OF THE ANNUAL REPORT OF THE HUMAN RELATIONS COMMISSION AND THAT THE COMMISSION CONTINUE TO OPERATE. SECONDED BY COUNCIL MEMBER KORTE, THE MOTION PASSED BY A UNANIMOUS VOTE OF THREE (3) TO ZERO (0).**

Chair Klapp thanked Mr. Jameson for the good work the Human Relations Commission does. Mr. Jameson thanked her for her attendance at meetings and public events.

### **3. Discussion and possible direction to staff regarding Audit Report No. 1308, Social Media Use and Controls**

Auditor Ms. Cathleen Davis said the audit was performed to review processes and controls over the City's use of social media. The City now has 13 Facebook pages, seven Twitter feeds, three YouTube channels, as well as Google+, Goodreads and Pinterest accounts. The auditors worked with Director of Communications and Public Affairs and the Web and Creative Services Manager, who collaborate to provide basic social media management for the City. They develop social media policies and provide support to the designated social media content producers. Unless specifically approved, City employees are blocked from accessing most social media sites.

Based on the audit they found opportunities for improvement in the use and management of social media accounts.

Monitoring of and training on social media can be enhanced. Currently monitoring the authorized employees' social media use is not effective, as the alert triggers set through web monitoring are too low and supervisors are not included in the oversight process. Additionally, the effectiveness of the City's use of social media tools may be improved by monitoring the internal and external activity. Effectiveness measures typically revolve around the level of interaction such as the number of tweets posts, followers and likes. The auditors also found that training for the social media content producers has primarily focused on a basic policy review. More comprehensive training could include such areas as how to identify and develop content, follow social media etiquette and evaluate the effectiveness of their social media accounts.

The auditors found that social media related access controls can be improved. Access through the City's network to social media sites was not always terminated when an employee left the City or no longer had related job duties. Some employees did not have an apparent business need. In addition, the social media management team did not have login information for all City social media accounts. The account passwords were not required to be changed on a regular basis. Finally, the IT incident response plan does not address social media.

After four years of social media use, a comprehensive citywide policy is still in development. While the City has maintained social media presence since 2008 and currently has 26 social media accounts across a variety of platforms, a citywide social media administrative regulation has not yet been established.

Council Member Korte asked who is in charge of implementing the recommendations.

Communications and Public Affairs Director Mr. Kelly Corsette said this is a joint effort between Information Technology and his office. They will continue working together.

Information Technology Executive Director Mr. Brad Hartig said one area is staff updating social media sites for the City. Other staff, for example Human Resources and the Police Department need access to social media sites to conduct investigations. Decisions on who has access are taken on a case by case basis with the approval of the executive director.

Ms. Walker said the auditors recommend that IT and Communications staff have a complete list of passwords so that if there is a need to cut off access to an account they can do so. Mr. Hartig said some individuals did not want to share their passwords, but this will be mandated within the policy.

Chair Klapp shared a presentation she had just heard from a member of the FBI on how crucial it is for organizations to have a social media policy. Mr. Hartig said they had considered incorporating the social media policy in the administrative regulations but realized that this field is changing so rapidly that this would not be nimble enough.

**1. Approval of Minutes, Regular Meeting, March 18, 2013**

Chair Klapp noted they had waited for Council Member Littlefield to arrive before approving the minutes of the March meeting.

**COUNCIL MEMBER LITTLEFIELD MOVED TO APPROVE THE MINUTES OF THE MARCH 18, 2013 REGULAR MEETING. CHAIR KLAPP SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF TWO (2) TO ZERO (0). COUNCIL MEMBER KORTE ABSTAINED.**

**4. Discussion and possible direction to staff regarding Audit Follow-up 3<sup>rd</sup> Quarter Report**

Ms. Walker presented the audit follow-up third quarter report. The implementation status is approximately the same as at this time last year. She has at her discretion closed out some minor items where management does not plan to implement their recommendations. Implementation has definitely improved since they started monitoring it.

**5. Discussion and Possible Direction to Staff direction to staff regarding 2013 First Quarter Taxpayer Problem Resolution Officer (TPRO) Report**

Ms. Davis presented the report. She noted that Finance and Accounting is mailing surveys for 18 tax audits completed since last July, but not previously surveyed. Ms. Walker clarified that the auditors do not send out the surveys, they just report on surveys which are returned.

**6. Discussion and Possible Direction to staff regarding status of FY 2012/13 Audit Plan**

Ms. Walker said the department is on track. She feels the Committee will need to meet on June 17 but not in May.

**7. Discussion and Possible Direction to staff regarding agenda items for next Audit Committee meeting (June 17, 2013)**

Ms. Walker stated that the next meeting will be held June 17.

Chair Klapp requested that the August meeting be scheduled to start at 3:30 p.m. because there will be a City Council meeting that evening.

Ms. Walker presented the draft agenda for June. Staff will report on compliance with the TPC lease agreement. Other topics include citation controls and an audit on the IT class system. Staff will also present the proposed audit plan for FY 2013/2014.

### **Public Comment**

No members of the public wished to address the Committee.

### **Adjournment**

The meeting adjourned at approximately 4:41 p.m.

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